

Economic Landscape Facing San Diego in 2011

27th Annual Economic Roundtable

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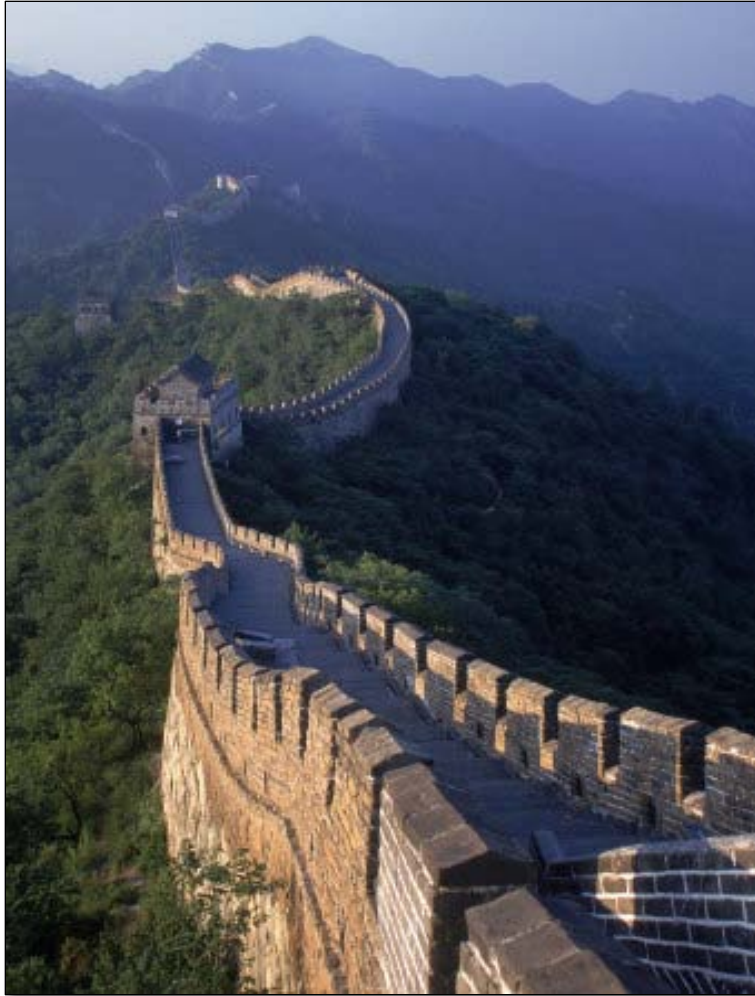
Point Loma Nazarene University

January 28, 2011

Key Topics

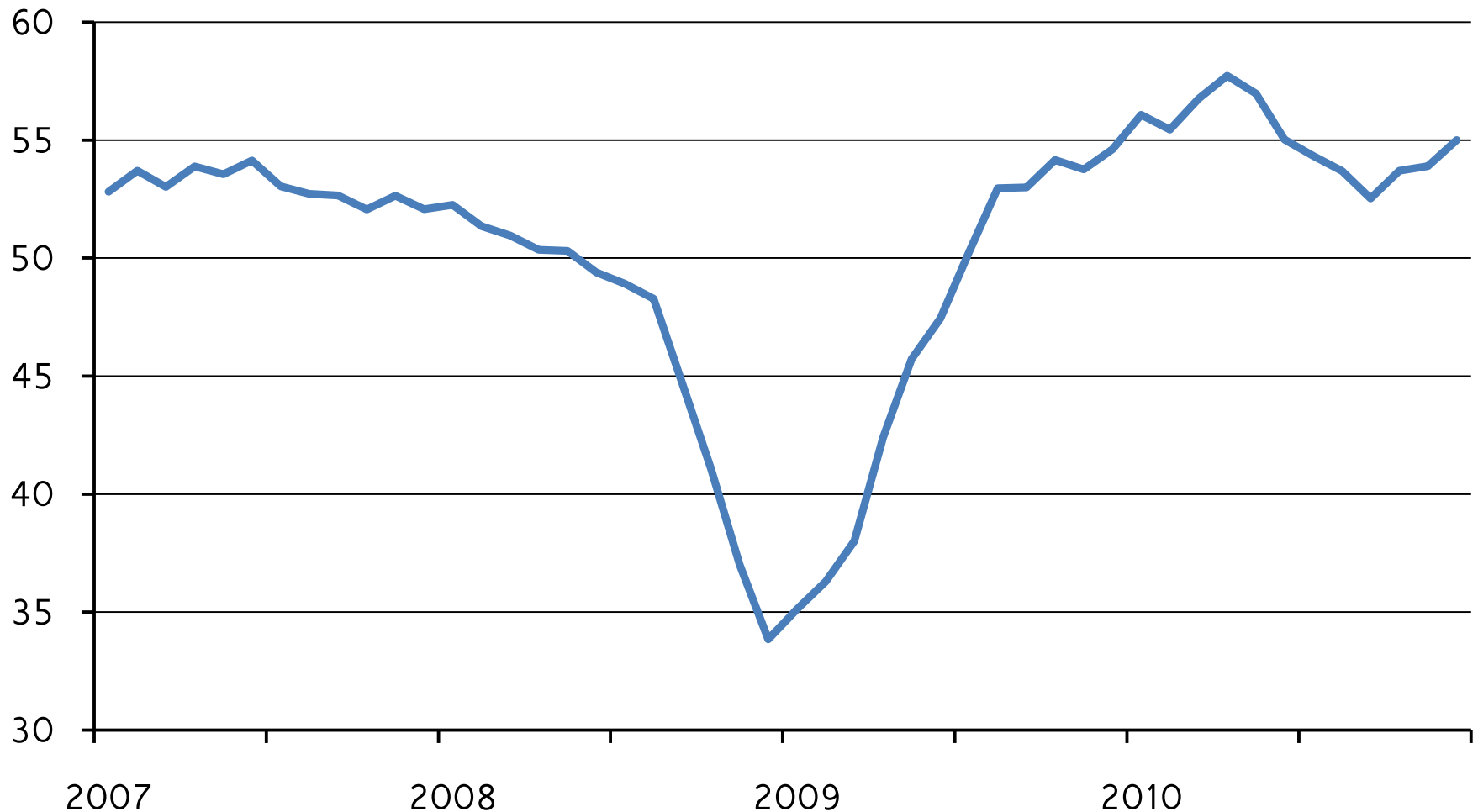
- Global Outlook
- U.S. Economy
- Financial Markets
- California

Global Outlook



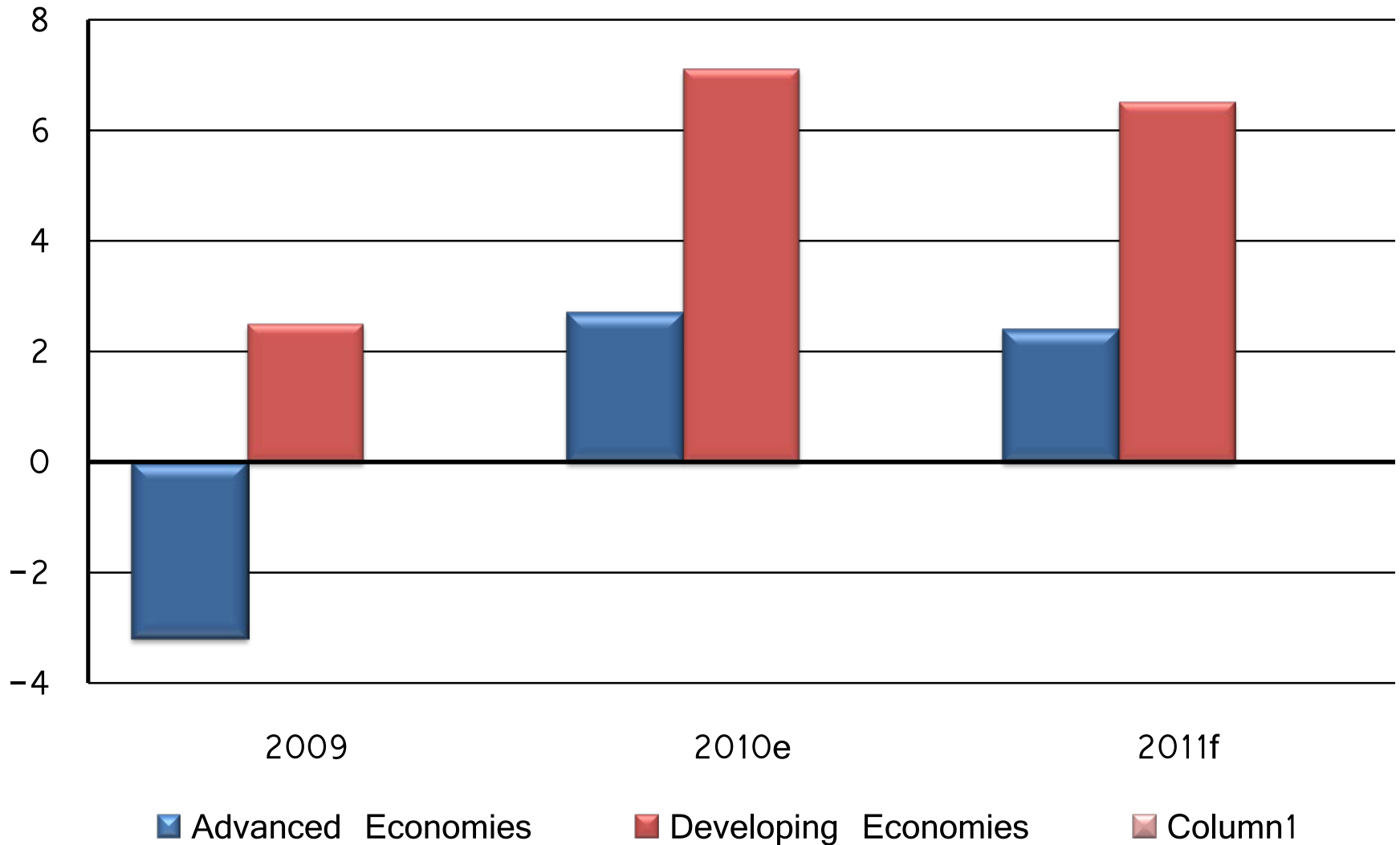
Global Manufacturing Expands

Index, 50 plus = expansion



Dual Speed Economy, Real GDP

Percent change over prior year

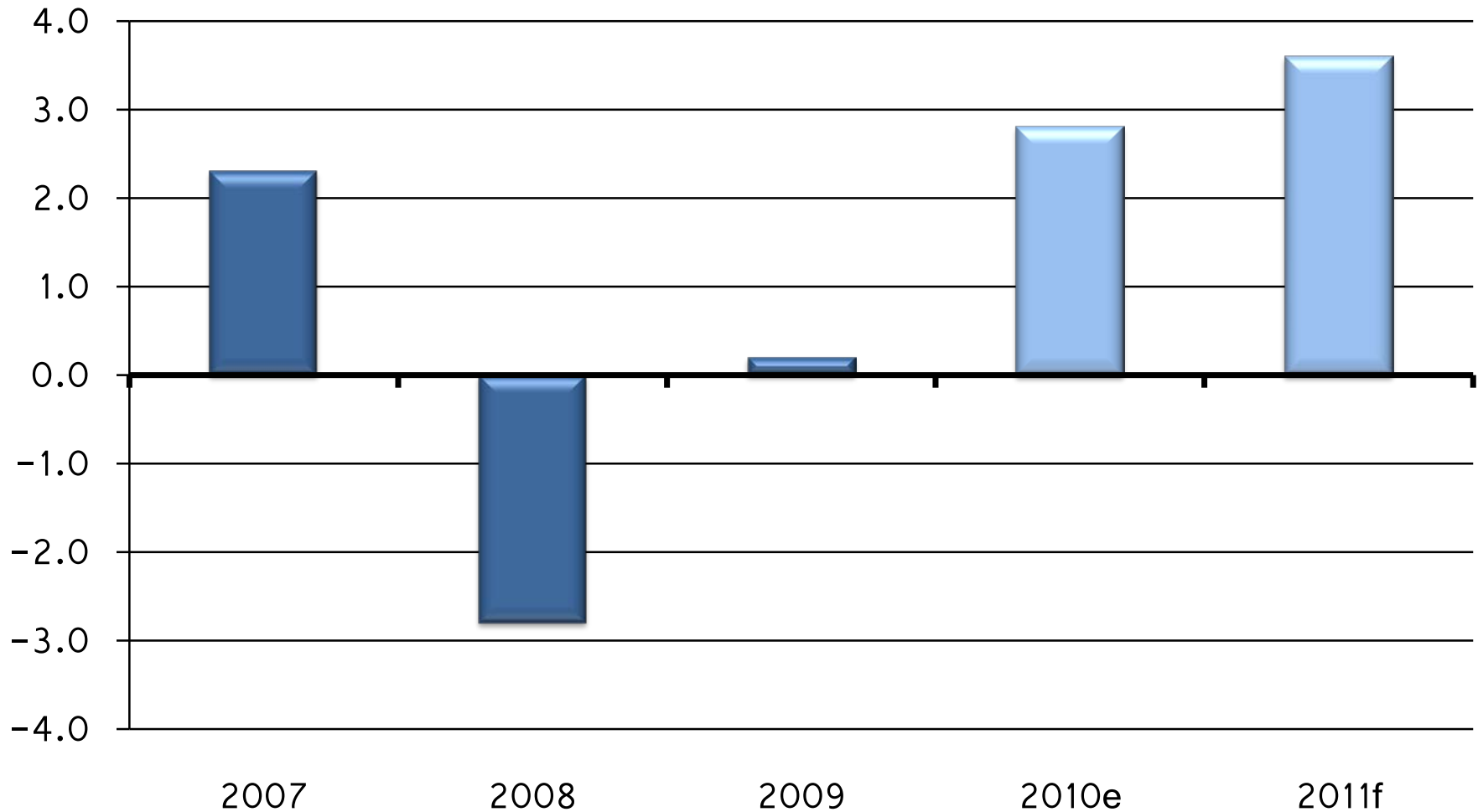


U.S. Economy



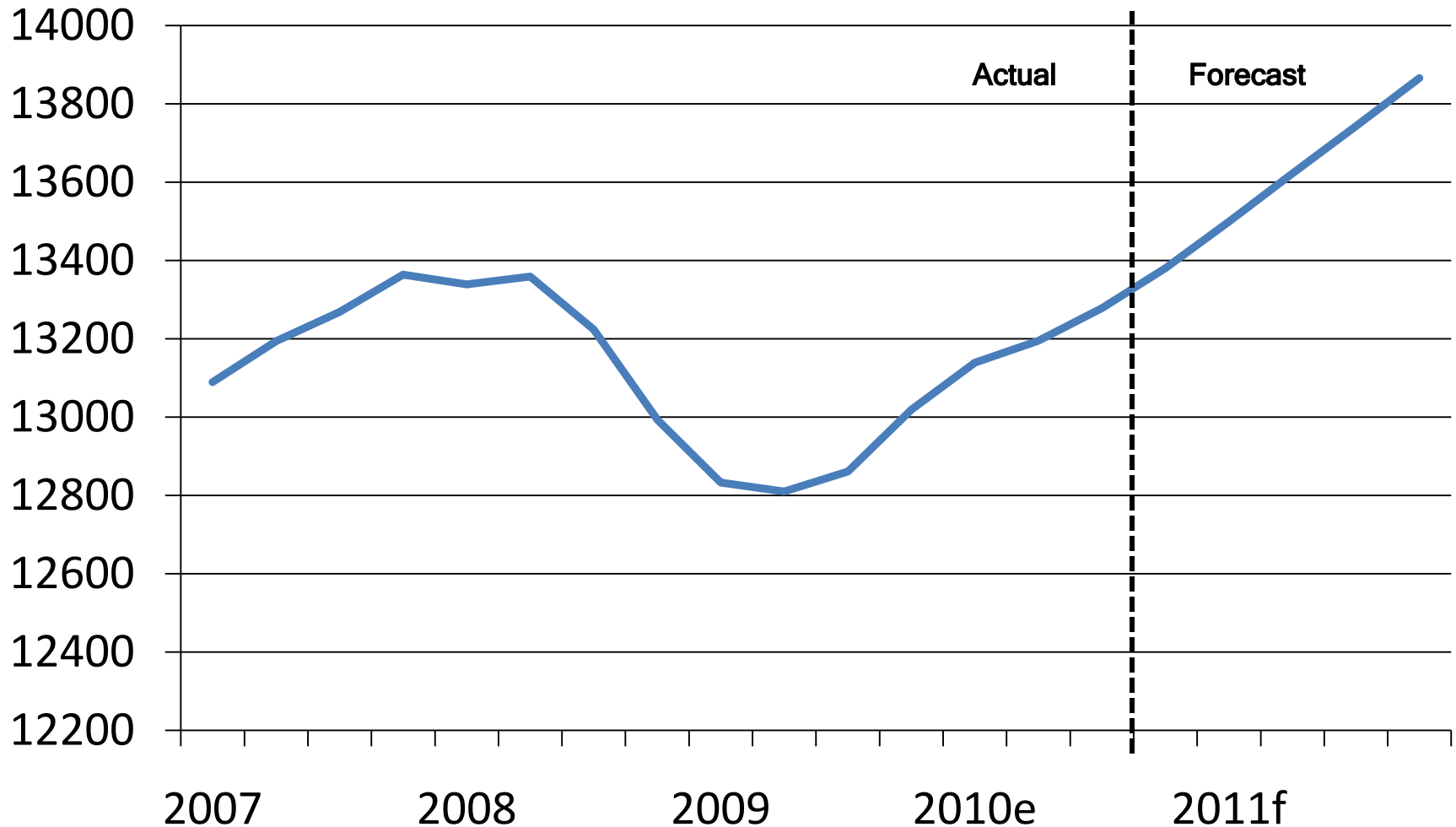
U.S. Real GDP Builds Momentum

4th quarter, percent change over prior year



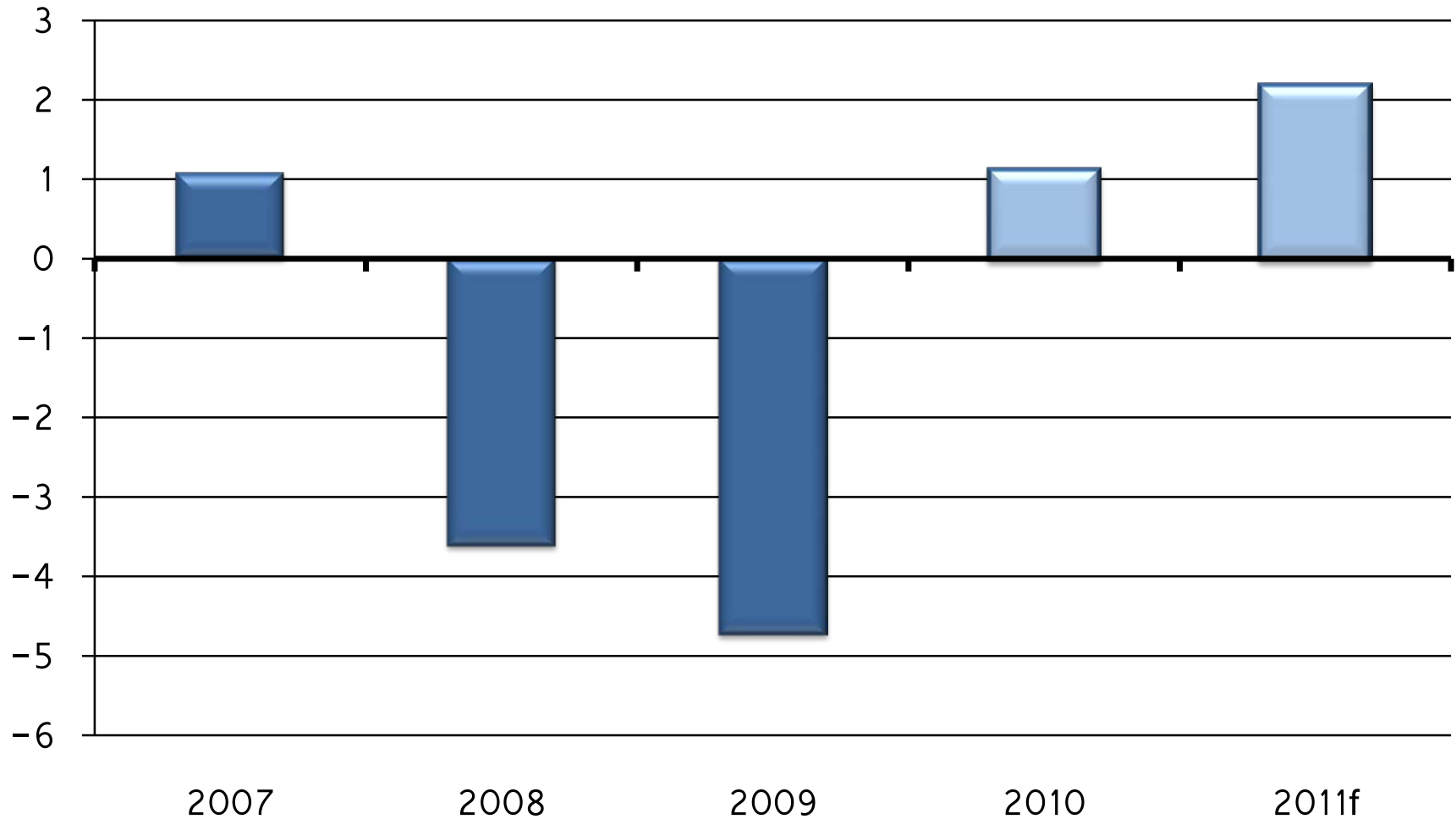
Output Recoups Losses

GDP, billions of chained 2005 dollars



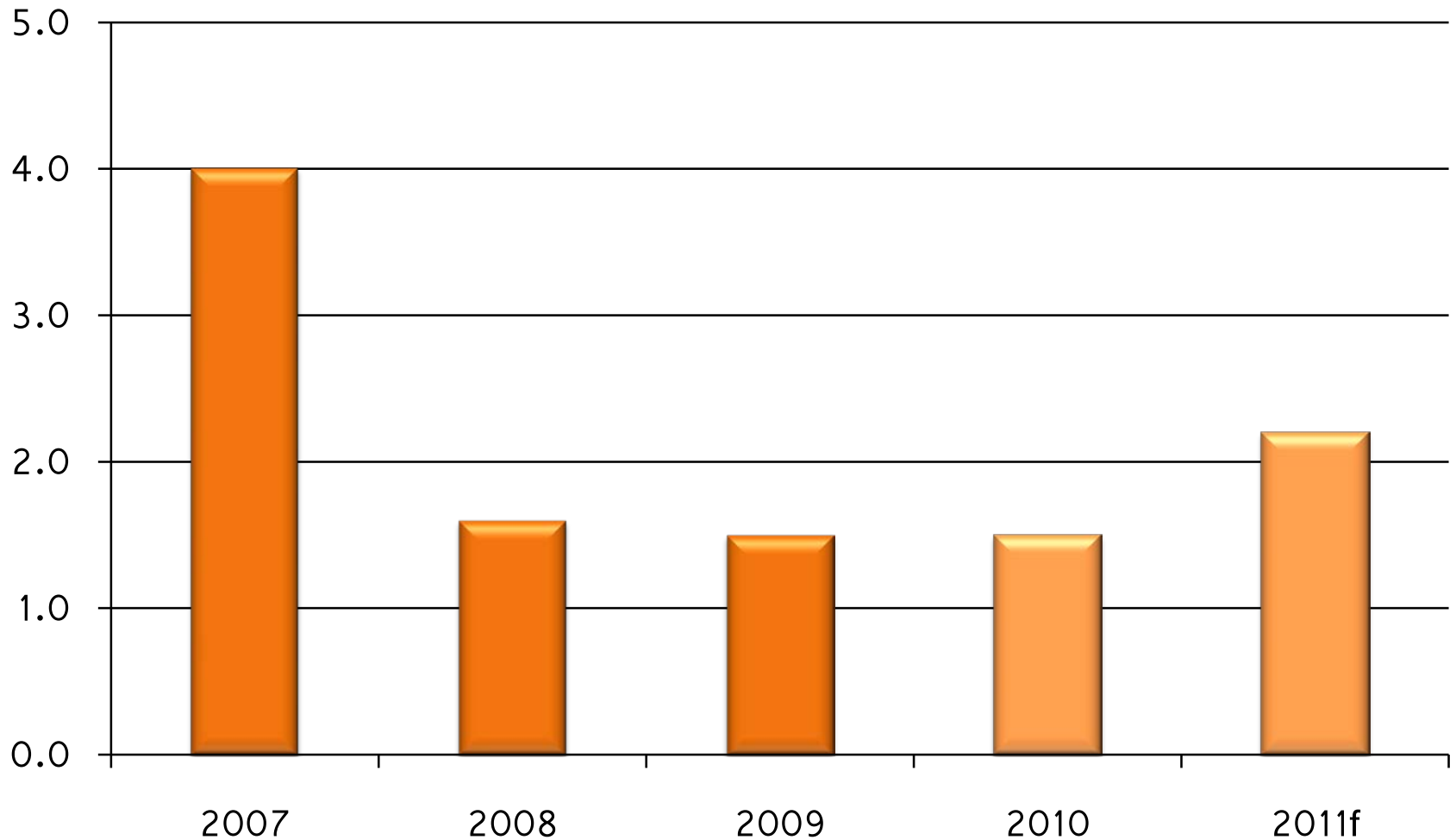
U.S. Job Growth to Pick Up

December, change over prior year, millions



Consumer Prices Still Subdued

4th quarter, percent change over prior year

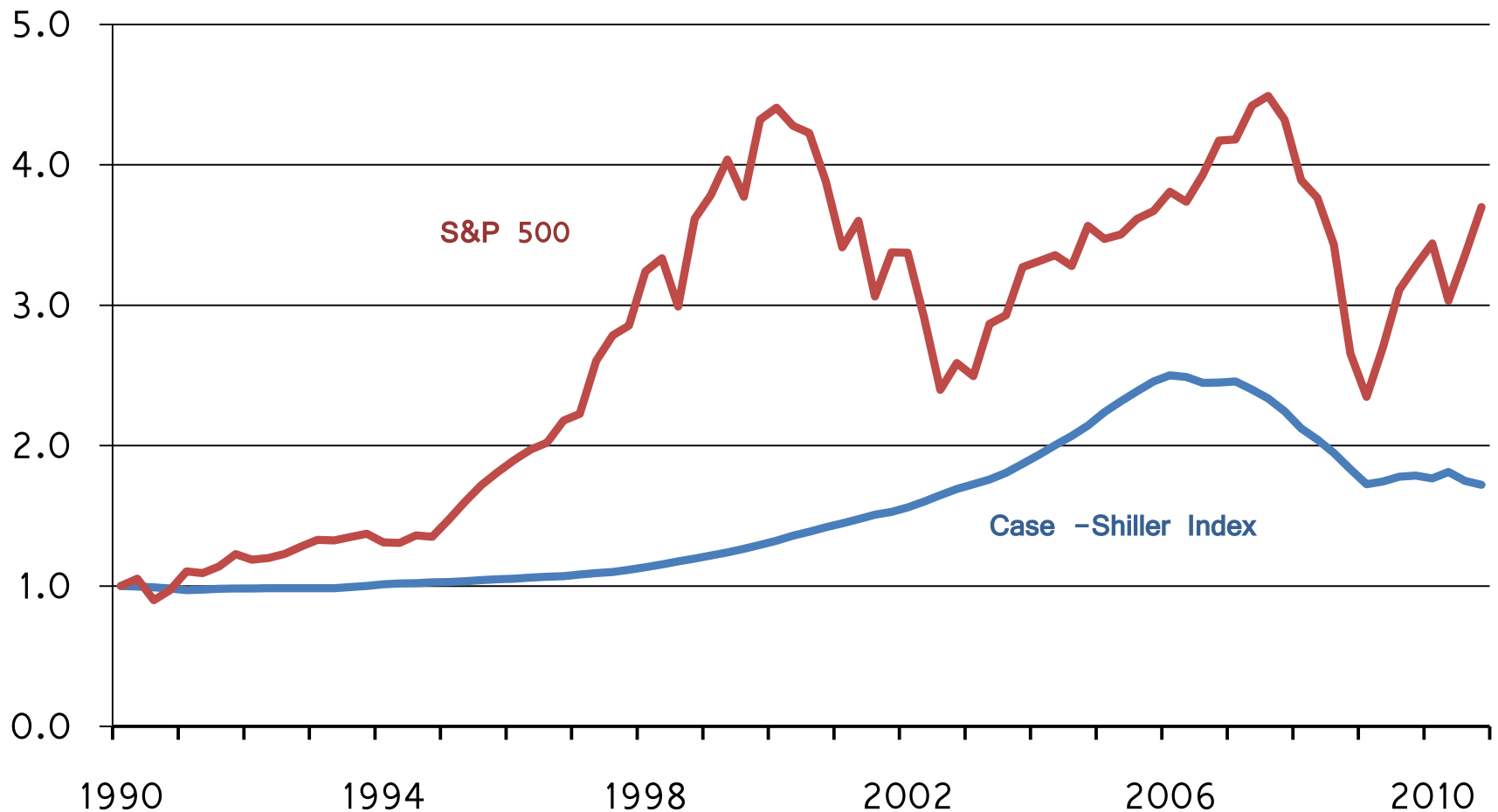


Financial Markets



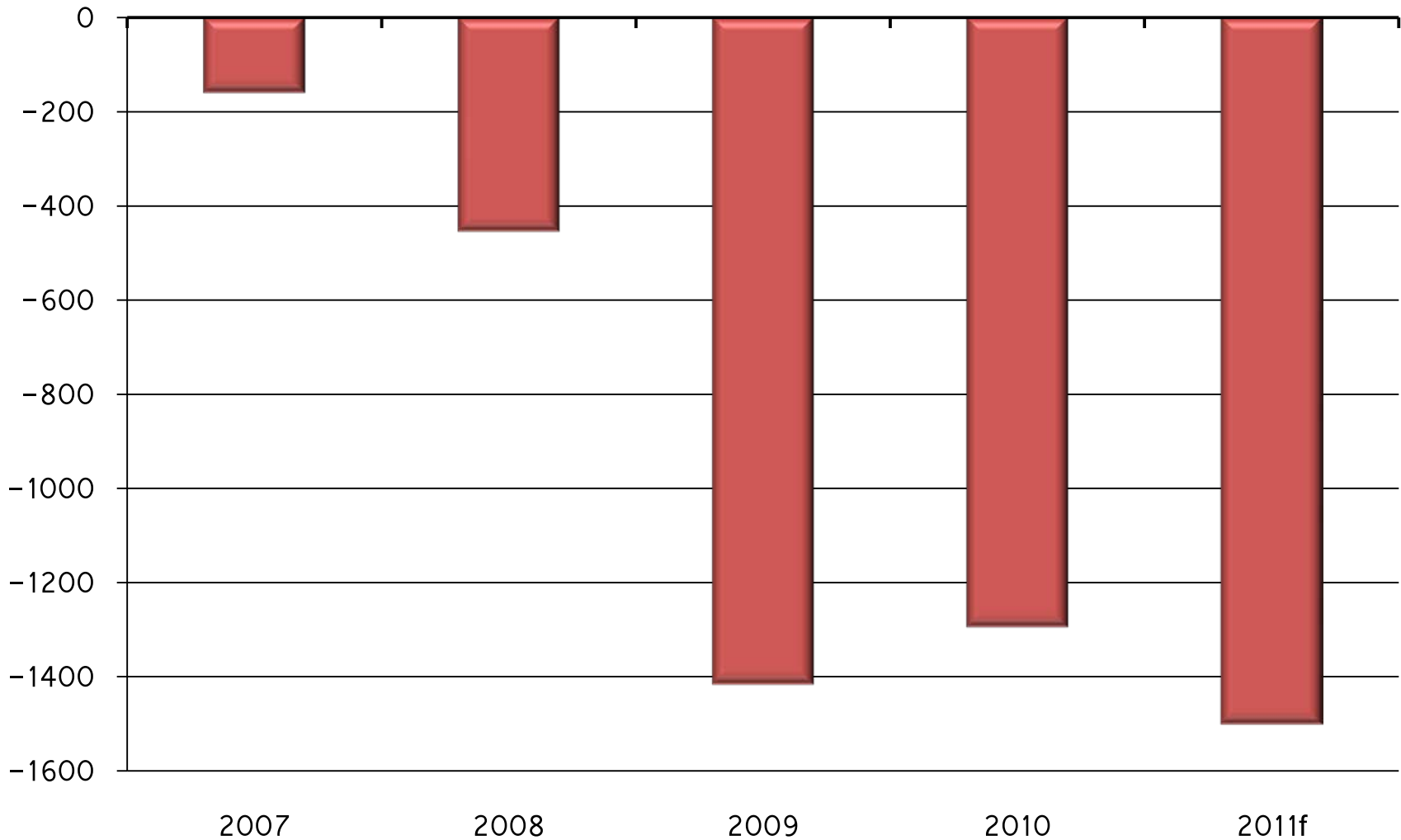
Stocks Outperform Housing

Index, Jan 1990=1.00



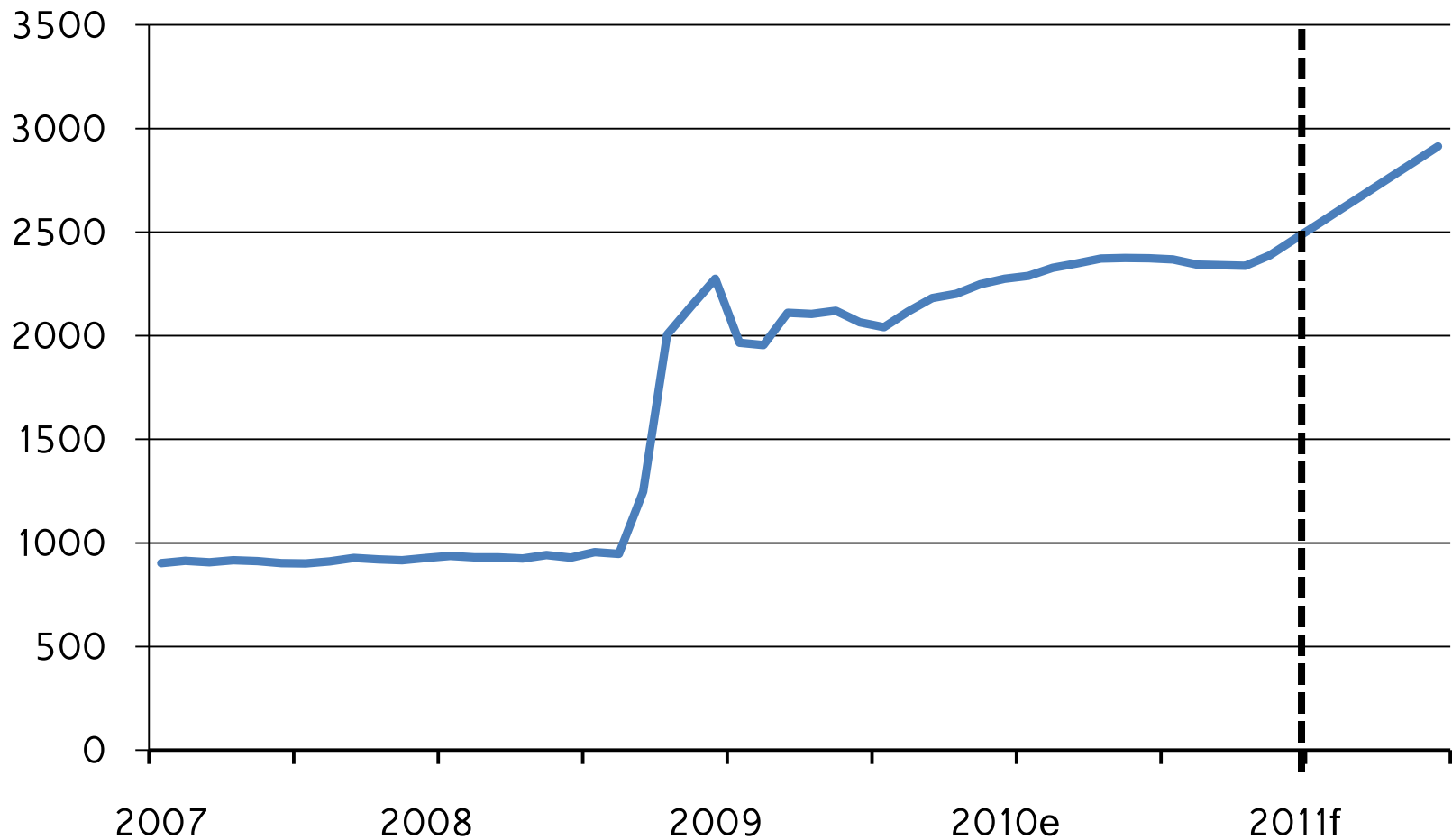
Federal Budget Remains Deeply in the Red

Billions of dollars, fiscal years



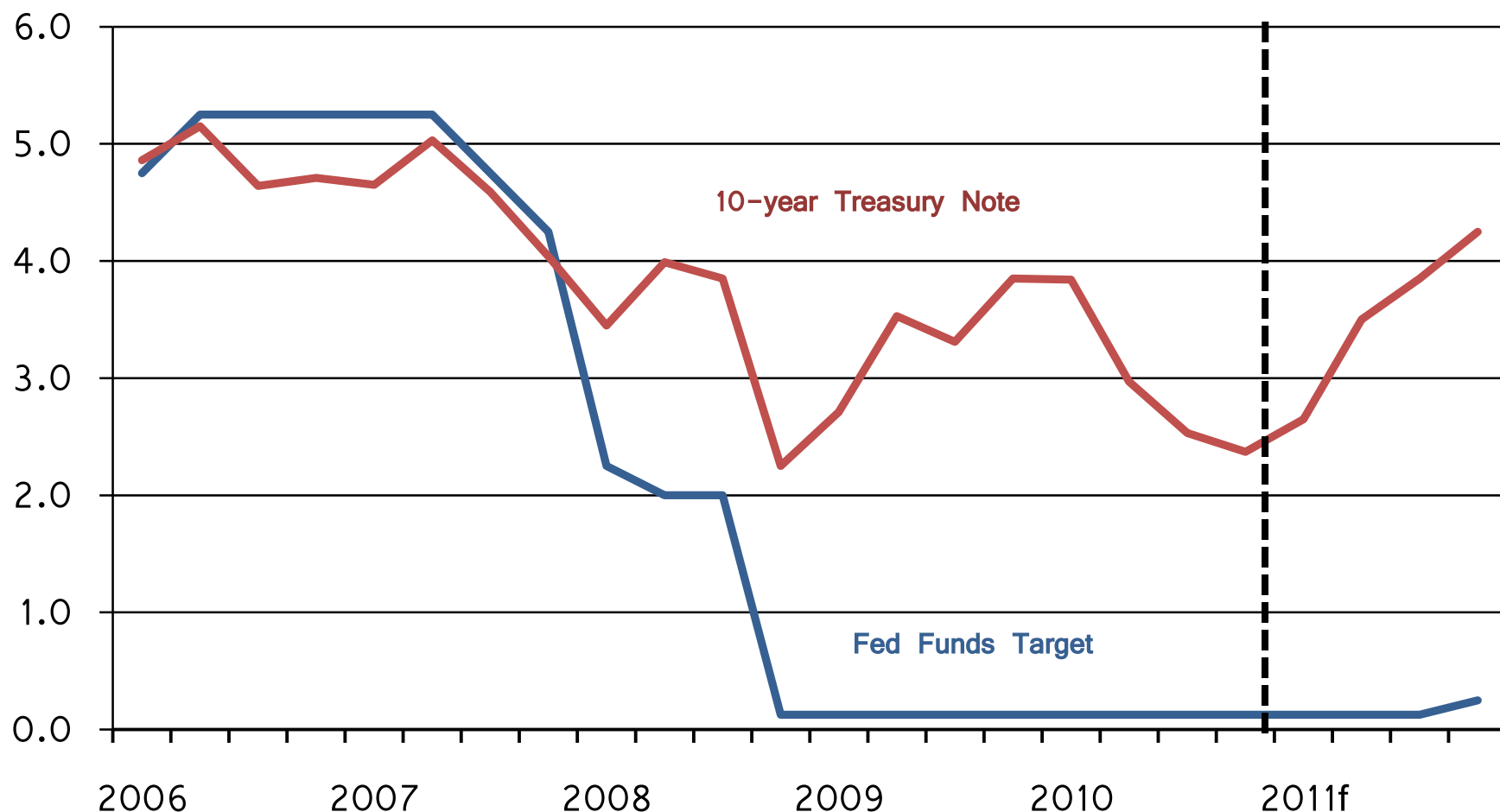
Fed's Balance Sheet Soars

Billions of dollars, month-end



Interest Rates to Rise

Quarter-end, percent

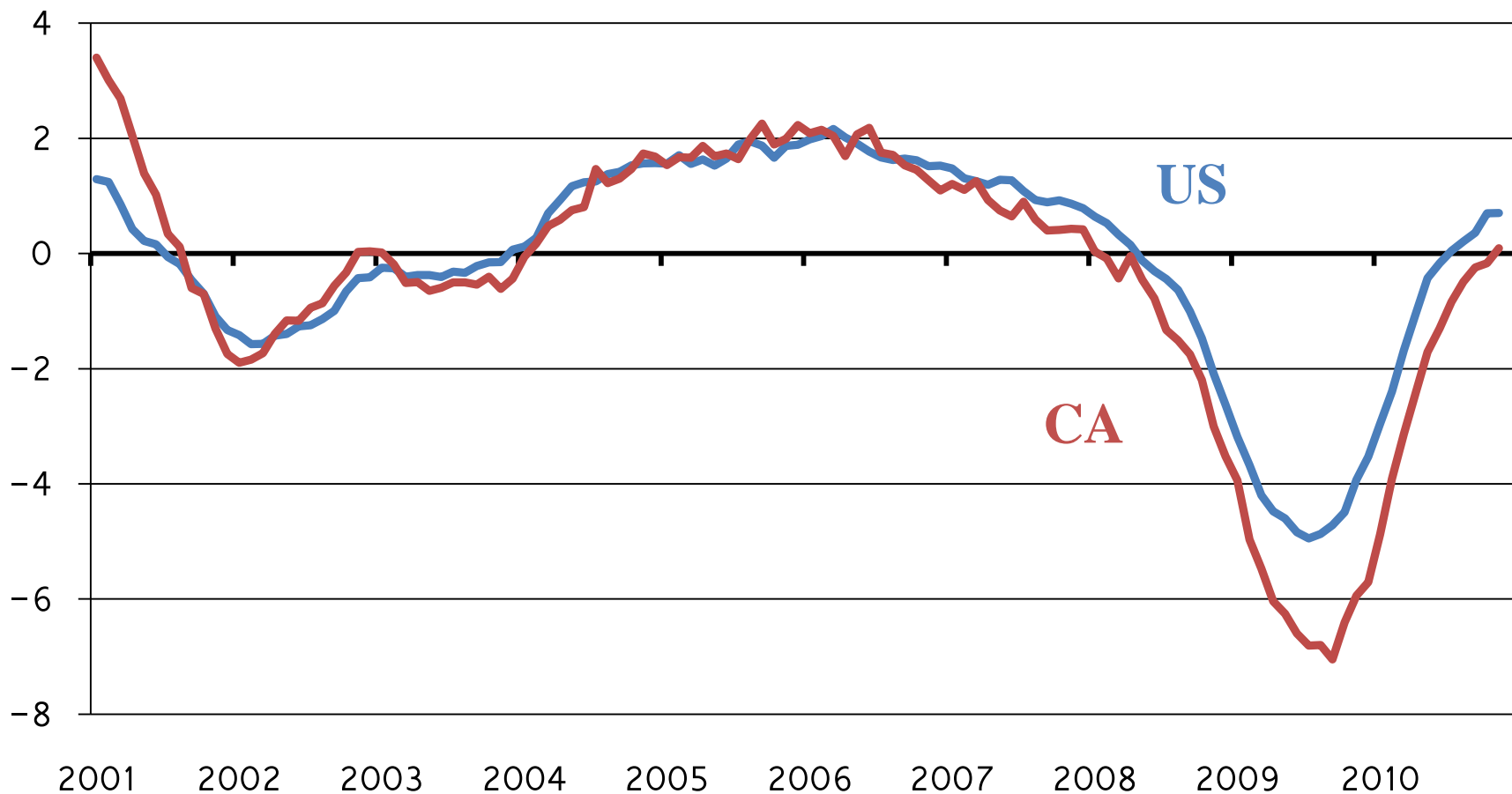


California's Economy



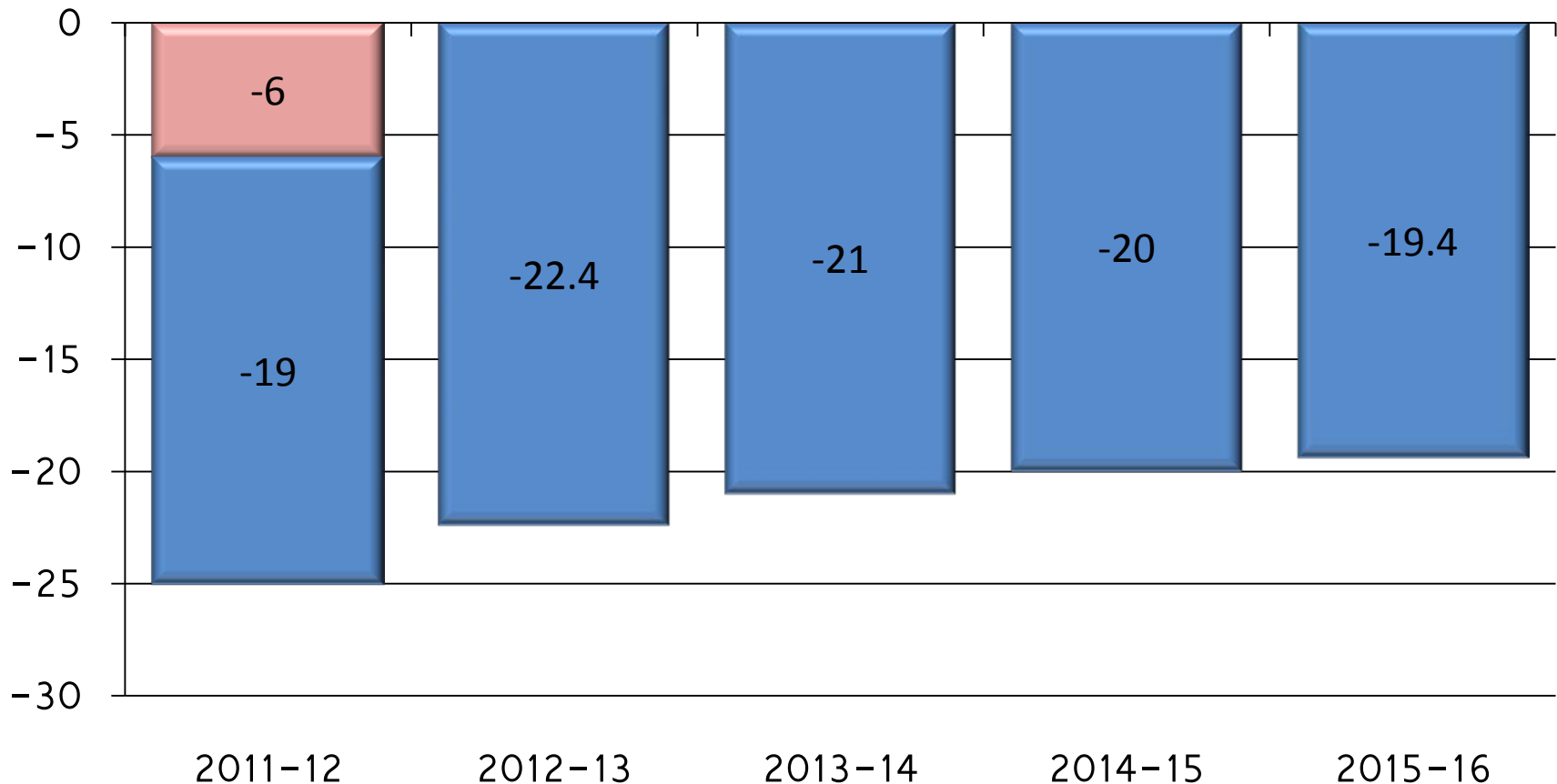
California Recovers with Nation

Nonfarm employment, percent
change over prior year



California Projected Budget Shortfalls

Billions of dollars, fiscal year



Includes \$6 billion carry over deficit from 2010-11

Source: Legislative Analyst

2011 California Outlook

Positives

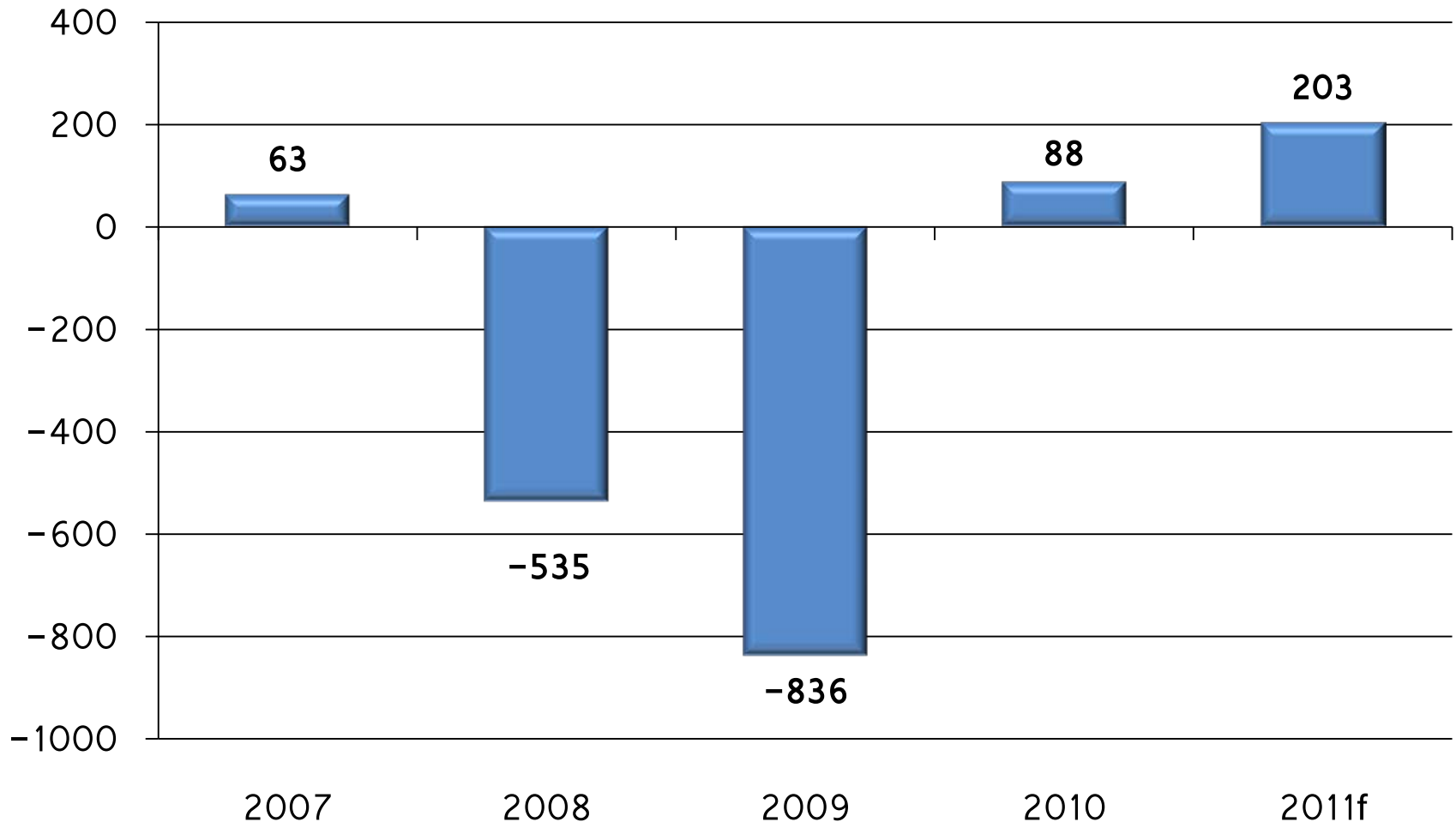
- 
- Technology and Innovation
 - Housing Stabilizes
 - Exports
 - Tourism

Constraints

- 
- Budget Pressures
 - Commercial Real Estate
 - K-12 Education
 - Regulations

California to Add More Jobs in 2011

December average, change over prior year, thousands



Recap

- Global Economy Uneven
- U.S. Gains Momentum
- Interest Rates to Rise
- California to Share Nation's Recovery